



116,000 percent between May and June 2021, followed by a decline of over 99 percent, which resulted in significant investor losses.

While allowing the state cases to move forward, Judge Fitzgerald declined to certify a nationwide class, stating that applying California and Florida laws across all jurisdictions could result in legal overreach and issues unsuitable for collective resolution.

The lawsuits name television personality Kim Kardashian, former boxing champion Floyd Mayweather, and former National Basketball Association player Paul Pierce as defendants. Kardashian's June 2021 Instagram post promoting EMAX reportedly reached hundreds of millions of followers, increasing the token's exposure during its price surge.

The cases also list EthereumMax Holdings, co-founder Giovanni Perone, and alleged consultant Jona Rechnitz as defendants. Plaintiffs claim the token's value was artificially inflated through celebrity endorsements before a sharp price decline. EthereumMax's white paper described the cryptocurrency as a "culture token" intended to connect digital assets with entertainment and lifestyle sectors.

This is not the first regulatory action related to EMAX promotions. In October 2022, the U.S. Securities and Exchange Commission (SEC) fined Kardashian \$1.26 million for failing to disclose a \$250,000 payment she received for the promotion. The settlement included the payment of disgorgement, penalties, and interest, and Kardashian did not admit or deny the SEC's findings.

In February 2023, the SEC charged Paul Pierce with violating anti-fraud and anti-touting provisions of federal securities laws, finding that he was paid more than \$244,000 worth of EMAX tokens for promotion and made misleading statements about his holdings. Pierce agreed to a \$1.409 million settlement without admitting or denying the allegations.

Judge Fitzgerald had dismissed an earlier version of the lawsuit in December 2022, stating that investors bore responsibility for conducting due diligence. The plaintiffs refiled their claims in mid-2023, and with this latest ruling, the cases will proceed in state courts.